

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

STEWART HEALTH CARE SYSTEM,
LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 24-90213 (CML)

(Jointly Administered)

Dr. Manisha Purohit, Dr. Diane Paggioli,
Dr. James D. Thomas, Dr. Thomas Ross,
Dr. Michael Regan, Dr. Peter Lydon,
Dr. Sridhar Ganda, and Dr. A. Ana Beesen,
for themselves and those similarly situated,

Plaintiffs,

Misc. No. _____

V.

Steward Health Care System LLC,
IASIS Healthcare, LLC, and
Patrick Lombardo, in his role as Executive
Vice President for Human Resources for
Steward Health Care System LLC; and
John and Jane Does, in their roles as
Committee Members and/or Management
Board Members,

Defendants.

**DECLARATION OF PETER LYDON, M.D. IN SUPPORT OF EMERGENCY MOTION
FOR AN ORDER STAYING HEARING ON THE TURNOVER MOTION**

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/Steward>. The Debtors' service address for these chapter 11 cases is 1900 N. Pearl Street, Suite 2400, Dallas, Texas 75201.

I, Peter Lydon, M.D., being over 18 years of age and competent in all respects to testify, having personal knowledge of the facts set forth below, and under penalties of perjury, hereby state, swear, and affirm the following, pursuant to § 1746 of title 28 of the United States Code:

1. I am a physician, and was employed by Steward Medical Group, Inc. (“**SMG**”), one of the debtors and debtors in possession (the “**Debtors**”) in the chapter 11 cases of *In re Steward Health Care System, LLC, et al.*, Case No. 24-90213 (Bankr. S.D. Tex.).

2. I submit this declaration in support of the *Emergency Motion for an Order Staying Hearing on Turnover Motion* (the “**Emergency Motion**”) filed by the Participants.² I am one of the Participants, as a participant in and beneficiary of the Steward Health Care Deferred Compensation Plan (the “**SHC DC Plan**” or the “**Plan**”).

3. I am a general surgeon, and have practiced in Norwood, Massachusetts since 1987. The medical facility in which I worked was eventually acquired by SMG, and I became an employee of SMG in 2014.

4. I became a participant in the SHC DC Plan in 2016, and was a participant in the SHC DC Plan for four consecutive years. When presented with the option to become a participant in the Plan (and re-enroll, in subsequent three years), I was not provided the opportunity to negotiate the terms of my participation in such Plan.

5. Once I enrolled in the Plan for a particular year, I could not unenroll until the following year’s enrollment period.


6. At no time—prior to becoming a participant in the Plan or before annual enrollment—was I presented with information regarding the financial condition of SMG, and at no point was I informed that SMG was insolvent.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Emergency Motion.

7. If the assets of the Plan are turned over to the Debtors' bankruptcy estates, I will personally be harmed. I am 68 years old. The insolvency of SMG—leading up to and after the bankruptcy filing—affected my practice of medicine. Beginning in late 2023, I would have uncertainty regarding the equipment and supplies that would be available to me when I arrived at in an operating room. Because of these challenging working conditions, I took a leave of absence in the summer of 2024. In September 2024, SMG then told me that my medical office would be closed and that my position would be eliminated, effective October 21, 2024. Prior to the bankruptcy of SMG, I was planning on scaling back my hours, but had hoped to continue to practice medicine for a number of years before I fully retired. I am now unemployed, and am finding it challenging to find a medical practice that wants to hire me as a part-time surgeon, despite my years of experience and being recognized as a “Top Doctor” by Boston Magazine every year since 2014. Not only am I unemployed, but I had been relying on my final installment from my contributions to the SHC DC Plan in February 2025 to assist with my retirement plans. I will likely need to start withdrawals from an annuity plan soon and had hoped to delay this another year using my SHC DC assets. Given the lack of certainty regarding my payment from the SHC DC Plan, I am now collecting social security, something I had hoped to defer for a few more years. My contributions to the SHC DC Plan were a way for me to plan for my future, and to allow me to retire on my own terms. The failure to receive the final installment payment will greatly affect that.

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Solemnly affirmed and signed this 13th day of March, 2025, under the penalties of perjury.


Peter Lydon, M.D.